

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Serial No.: 10/821,504

Applicant: Jeff S. Eder

Filed: December 23, 2002

Examiner: Sigfried Chencinski

Art Unit: 3692

Docket No.: AR - 65

Customer No: 53787

DECLARATION UNDER RULE 132

I, Rick Rauenzahn, do hereby declare and say:

My home address is 529 Calle don Leandro, Espanola, New Mexico. I have a B.S. degree in chemical engineering from Lehigh University, an S.M. degree in chemical engineering from The Massachusetts Institute of Technology and a Ph.D. in chemical engineering from The Massachusetts Institute of Technology. I have worked in the mathematical modeling field for 25 years concentrating in the disciplines of fluid mechanics, turbulence modeling, numerical methods for partial differential equations, radiation hydrodynamics, and strength of materials. I also have extensive knowledge of computer system administration, particularly for Windows-based, Linux, and UNIX systems. I have been employed by Los Alamos National Laboratory and Molten Metal Technologies for the past 24 years.

I further declare that I do not have any direct affiliation with the application owner, Asset Reliance, Inc. I met the inventor for the first time in April 2006. I joined the Technical Advisory Board for Knacta, Inc., a company run by the inventor in May of 2006 but I have not completed any assignments for Knacta. Knacta, Inc. has a license to the intellectual property associated with this application.

On April 22, 2006, I was given a copy of U.S. Patent Application 09/688,983 entitled "An automated risk transfer system" filed in the United States Patent Office on October 17, 2000. Until that time I had not read the patent application. U.S. Patent Application 10/821,504 entitled

"A Business Activity Management System" is a continuation of application 09/688,983 and as such has the same specification and drawings. I have studied the entire specification in order to closely analyze the claims and drawings. I am totally familiar with the language of the claims and conversant with the scope thereof. I completely understand the invention as claimed.

On December 2, 2007 I was provided with a copy of U.S. Patent 6,173,276 by Kant et al. (hereinafter Kant). Until that time I had not read the patent and I have not discussed it with anyone. Kant describes a problem solving environment for systems of partial differential equations. The main interface to the Kant system is a problem specification language. This language allows an initial-boundary value problem for a system of partial differential equations ("PDE's") to be specified in terms of invariant differential operators or in a particular coordinate system. An example specification for an American put-option appears below:

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Region[0<=S<=SMax && 0<=t<=T, Cartesian[{S},t]]; When[Interior, CrankNicholson;  
der[V,t]==1/2 sigma^2 S^2 der[V,{S,2}] + (r-D0) S der[V,S] - r V]; payoff==Max[K-S,0];  
When[min[S], V==K]; When[max[S], V==0]; When[min[t], V==payoff]; Constraint[V >= payoff];  
SOR; TargetLanguage[C]; Double.
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Based on my experience and training in the field of mathematical modeling and electronic data processing, I have concluded that the Kant system does not anticipate or enable the system disclosed in application 09/688,983/10/821,504. There are several reasons for this:

- 1) the method disclosed in 09/688,983/10/821,504 for identifying the contribution of the elements of value to the components of value and market sentiment relies on vectors as inputs to predictive models, the use of vector inputs is not supported by the Kant method. However, Kant does support the use of vectors to provide direction to PDE specifications.
- 2) the method disclosed in 09/688,983/10/821,504 for identifying the contribution of the elements of value to the components of value and market sentiment does not rely on the use of partial derivatives – the sole modeling method supported by the Kant invention.
- 3) the method disclosed in 09/688,983/10/821,504 for modeling the components of value and market sentiment teaches that the their levels are a function of the performance of a plurality of elements of value (i.e. brands, customers, employees, etc.). Kant does not teach or enable the development of summaries of element of value performance that can be used to create partial derivatives.

4) the method disclosed in 09/688,983/10/821,504 for quantifying the value of real options relies on interest rates that are determined by the relative strength of the elements of value as quantified by a DEA analysis. Given 3 above, the Kant method does not teach or enable this function either.

In summary, the patent by Kant merely outlines a high-level method for solving partial differential equations, thereby reducing the level of sophistication required of the end user whose task is to solve a given set of PDEs. This has no bearing on method disclosed in the present application (09/688,983/10/821,504).

I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true, and that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment or both under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patents issuing thereon.

Signed,

/Rick M. Rauenzahn/

Date: December 20, 2007